# Farm Service Agency



September 1996 Revised November 1996



# **Other Tobaccos**

Dark Air-Cured Fire-Cured Sun-Cured

Cigar Filler & Binder

**Summary of 1996 Support Program** 

## Legislative Authority

The Agricultural Adjustment Act of 1938, as amended, authorizes marketing quotas on an acreage allotment basis for various kinds of tobacco, except cigar wrapper and perique. The Agricultural Act of 1949, as amended, sets the price support at the previous year's level, with an

annual adjustment based on the change in a parity index average.

## Marketing Quotas

Marketing quotas, having been approved by more than two-thirds of the producers, are in effect for the following tobaccos and crop years:

Kind (type)		Crop Years		Referendum Date
Fire-Cured (21-22-23)	1994	1995	1996	March 1994
Dark Air-Cured (35-36)	1994	1995	1996	March 1994
Sun-Cured (37)	1995	1996	1997	March 1995
Cigar-Filler & Binder (42-44 & 53-55)	1996	1997	1998	March 1996

Producers in March 1995 disapproved marketing quotas for 1995, 1996, and 1997 crops of Maryland (type 32), Pennsylvania cigar-filler (type 41), and Connecticut Valley cigar-binder (types 51-52) tobaccos. The next referenda for those three kinds is scheduled to be held in March 1998. In addition, a

referendum was held in March 1996 for Cigar Filler (Type 41) tobacco in which no one voted. Because this kind of tobacco is no longer grown, a special ruling was made accepting the referendum as a "No" vote and absolves producers from future referenda unless they actively petition

the Secretary of Agriculture to reinstate the quota process.

## Acreage Allotments

Following are 1995 national acreage allotments compared to 1996:

Kind (type)	1995 Allotment (acres)	1996 Allotment (acres)
Virginia Fire-Cured (21)	1,316	1,317
Kentucky-Tennesse Fire-Cured (22-23)	16,501	16,491
Kentucky-Tennessee Dark Air-Cured (35-36)	4,270	4,045
Virginia Sun-Cured (37)	100	110
Cigar Filler & Binder (42-44 & 53-55)	4,852	4,699

Producers who exceed acreage allotments for tobaccos under marketing quotas are subject to marketing quota penalties. The penalty rate is 75 percent of the previous year's average market price.

The marketing year for all tobaccos covered in this fact sheet begins October 1.

#### Support Level

Following are national support levels for the 1996 crops. USDA sets individual grade rates before the marketing season begins.

Kind (type)	1996 Average Support Level (cents per pound)
Dark Air-Cured (35-36)	133.9
Fire-Cured (21)	145.5
Fire-Cured (22-23)	155.7
Sun-Cured (37)	128.8
Cigar Filler & Binder (42-44 & 53-55)	112.0

The 1996 support levels are 1.9 to 3.9 cents above 1995 support levels.

## **Support Method**

Nonrecourse loans are available on 1996 production for the five quota tobaccos listed. Price support is provided to growers through producer associations under contractual terms with USDA's Commodity Credit Corporation (CCC). The associations receive the tobacco not sold at the support rate, using funds loaned by CCC.

Producers are required to certify that they have not nested their tobacco

and also that pesticides used in producing tobacco have been approved by the Environmental Protection Agency and that these products have been used in accordance with label directions.

#### **Assessments**

As a condition of price support eligibility, producers of these various kinds of tobacco must pay an assessment on each pound of tobacco marketed to ensure the price support program operates at no-net-cost, as required by the No Net Cost Tobacco Program Act of 1982.

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	Production	National Average Loan Level	No-Net-Cost Assessment	Average Price to Farmers	Farm Value
	(million lbs.)	(cents per lb.)	(cents per lb.)	(cents per lb.)	(million \$)
		Virginia Fire	-Cured Tobacco (type 2	21)	
1991 1992 1993 1994 1995 1996	3.6 2.6 1.9 2.4 1.5	133.2 136.7 139.5 140.7 143.0 145.5	12 13.3165 11.3025 7.2965 15.285 TBD	152.6 161.5 171.9 161.2 162.5	5.4 4.2 3.3 3.9 2.4
		Kentucky-Tennessee	Fire-Cured Tobacco (t	ypes 22-23)	
1991 1992 1993 1994 1995 1996	29.3 34.2 39.0 45.9 37.7	136.7 142.1 146.4 148.3 151.8 155.7	1.3165 1.2895 .768 1.2585 1.241 TBD	213.4 217.3 219.4 209.2 217.2	62.6 74.4 85.6 96.0 81.9
		Kentucky-Tennessee D	ark-Air-Cured Tobacco	(types 35-36)	
1991 1992 1993 1994 1995 1996	8.7 10.3 11.1 11.7 8.5	116.9 121.7 125.5 127.3 130.4 133.9	.831 .8915 .8725 1.3635 2.3480 TBD	184.0 169.4 171.5 168.5 176.2	16.1 17.4 19.0 19.7 15.0
		Virginia Sun	-Cured Tobacco (type 3	37)	
1991 1992 1993 1994 1995 1996	.1 .1 .1 .1	117.7 120.8 123.3 124.5 126.5 128.8	12 13.396 11.3835 7.3775 15.3675 TBD	143.4 138.0 152.1 147.6 153.0	.2 .2 .2 .2 .2
		Cigar Binder Tob	acco (types 53-55) (Wis	sconsin)	
1991 1992 1993 1994 1995 1996	15.2 12.8 6.6 5.9 6.2	101.4 105.4 107.4 108.4 110.1 112.0	0 0 0.458 1	0 155.0 0 148.7 0 143.2 3.958 145.0 0.4495 145.0	23.5 19.1 9.6 8.6 9.0
1CCC h	nas terminated loan oduction since 1989	agreement with producer a	associations.		

<sup>&</sup>lt;sup>2</sup>No production since 1989. <sup>3</sup>Allotments disapproved. TBD — To Be Determined